

STATE OF CALIFORNIA

FACILITY COMPLIANCE LOAN PROGRAM

*PROGRAM GUIDELINES
FOR
LOCAL GOVERNMENTS*



**FY
1999/2000**

**INTEGRATED
WASTE
MANAGEMENT
BOARD**

**PROGRAM GUIDELINES FOR
LOANS TO ASSIST WITH SOLID WASTE FACILITY COMPLIANCE**

PRIVACY NOTICE

The information requested in this loan application will be used by the California Integrated Waste Management Board (Board) for the purpose of determining the eligibility and creditworthiness of the loan Applicant, and the Applicant's ability to secure and repay the loan. In the event of sale or securitization of loans, public-rating agencies, prospective investors or purchasers, or their agents will review information. Such review will be subject to a confidentiality agreement.

Portions of the information in the application may be transferred to members of the Board's loan committee and to other state agencies assisting the Board with administration and maintenance of this program, including but not limited to the Department of Economic Opportunities, the Office of the State Controller, the Department of General Services, the Department of Real Estate, the Trade and Commerce Agency and the California State Attorney General. Designated items provided in this application may also be entered into the Board's Business Intake Database which will be accessible to the public.

This notice is required by Section 1798.17 of the Information Practices Act of 1977 (California Civil Code Sections 1798 through 1798.78) and the Federal Privacy Act (5 USC 552a, subd. (e)(3) whenever an agency requests personal information from an individual.

The information that is requested in this application is mandatory for all applicants. Failure to provide the information may result in an Applicant not receiving a loan from the Board.

Applicants have the right to review their loan application files. The official responsible for maintenance of the loan application files is: Loan Administrator, Facility Compliance Loan Program, California Integrated Waste Management Board, 8800 Cal Center Drive, Mail Stop #25, Sacramento, CA, 95826.

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LOAN APPLICATION SUBMITTAL CHECKLIST

- ☐ Application for Local Governments
- ☐ Resolution (see Exhibit A, sample Resolution)
- ☐ Work Plan (see Exhibit B, Work Plan)
- ☐ Detailed Cost Estimate (see Exhibit C, Cost Estimate)
- ☐ Environmental Compliance Documentation
- ☐ Financial Information
- ☐ Vicinity Map and Site Map (see Exhibit D, sample Vicinity Map and Site Map)
- ☐ Certified Documentation Identifying Source(s) of Funds for Repayment of Loan and Costs Exceeding Loan Amount, If Applicable

FACILITY COMPLIANCE LOAN PROGRAM PROGRAM GUIDELINES FOR LOCAL GOVERNMENTS

1. Introduction

The Budget Act of 1999 authorized the California Integrated Waste Management Board (Board) to administer a loan program to assist owners and/or operators of solid waste facilities with environmental compliance. The Facility Compliance Loan Program (FCLP) provides \$1.44 million and the 2000-01 Budget Bill proposes an additional \$1.44 million in interest-free loans to improve environmental compliance at solid waste facilities in the State of California. This guide addresses procedures and instructions for obtaining FCLP loans.

2. Board Contact

For further information on the FCLP or additional copies of the application package, contact:

Bridget D. Brown, IWMS
Facilities Compliance Loan Program
Permitting and Enforcement Branch
California Integrated Waste Management Board
8800 Cal Center Drive, M.S. 25
Sacramento, CA 95826

E-mail: bbrown@ciwmb.ca.gov
Phone: (916) 255-4066
FAX: (916) 255-4071

3. Program

Applicants for the FCLP are limited to owners and operators of permitted solid waste facilities in the State of California with existing or chronic non-compliance at the facility. Priority will be given to small, publicly operated facilities that primarily service rural areas, and that pose a tangible environmental threat. **The maximum loan amount allowed under the Facility Compliance Loan Program is \$500,000 per borrower.** The interest rate for any FCLP loan shall be zero percent (0%). Applicants may receive only one FCLP loan from the current appropriation. The Board may approve loans greater than the maximum loan amount on an individual basis. Loans must be repaid within fifteen years. Applicants must provide adequate documentation of financial need for assistance with compliance problems, and demonstrate an ability to repay the loan as well as any that exceed the loan amount. Funds may not be used to refinance existing loans. All projects must be completed within 24 months of funding.

4. Eligibility Criteria

- a. Applicants must be the owner and/or operator ("facility operator") of a permitted solid waste facility.
- b. Applicant must be able to demonstrate an existing or chronic non-compliance at the facility.
- c. Priority will be given to small, publicly operated facilities that primarily service rural areas and that pose a tangible environmental threat.

5. Application Requirements

Each applicant must submit a loan application, together with the following:

- a. A Resolution (see Exhibit A, sample Resolution). An approved resolution from the applicant's governing body that authorizes submittal of an application for the Facility Compliance Loan and the title of the individual authorized to execute any agreements, contracts, etc. This authorized individual will be the only person whose signature the Board will recognize. A sample resolution is included in this package. Applications from joint power authorities consisting of several cities and/or counties must include a signed copy of a written agreement between the governing bodies authorizing the loan applicant to act on their behalf.
- b. A detailed Work Plan (see Exhibit B, Work Plan). A Work Plan should be submitted for each site. Each Work Plan phase should be assigned a phase number, which will be used for reference on the Cost Estimate. The Work Plan should include the following information:
 - 1) A Project Description, including: site history, type and amount of waste, surrounding land use and distance, topography, accessibility as it pertains to the project;
 - 2) Mobilization/Start up Steps, including: obtaining permits, conducting CEQA; and
 - 3) A Scope of Work, including: a description of the steps necessary to remediate the nuisance or threat, etc.
- c. A detailed Cost Estimate (see Exhibit C, Cost Estimate). Cost of eligible and ineligible work items must be itemized separately. The "Primary Project" is the project with the highest cost.
- d. Evidence for substantiation of threat to public health and safety or the environment. Attach applicable regulatory agency investigations or enforcement orders, solid waste assessment test (SWAT) reports, or certified environmental assessment reports.
- e. Evidence of Compliance with the California Environmental Quality Act (CEQA), e.g. Notice of Exemption, Initial Study/Negative Declaration, or Environmental Impact Report.
- f. Financial information:
 - (1) Demonstrate the need for the requested loan funds. Attach applicant's annual financial operating statements for the last three years and interim (within 90 days), independent audits, and/or other evidence of financial condition. Each statement must be certified by the original signature of the person completing this application.
 - (2) Explain other methods of financing attempted and evidence of reasonable efforts made to raise funds for compliance, e.g., increasing tipping fees above State average, assessing parcel fees.
 - (3) Identify and provide evidence of a financial mechanism to repay the loan and pay for facility compliance costs that exceed the loan amount, certified by the original signature of the person completing this application. In lieu of collateral, the applicant must identify a guaranteed revenue source that will be dedicated to repay the loan.

NOTE: It shall be the responsibility of the applicant to immediately notify the Board of any change in financial conditions that would make the applicant financially able to bring the facility into compliance without IWMA funds, unable to repay the loan, or unable to pay for facility compliance costs that exceed the loan amount. This notification shall be required both during the application process and after the Loan Agreement has been signed. Such conditions may negate eligibility for use of IWMA funds. Applications that are substantially incomplete will not be considered for funding.

6. Application Deadline

Applications must be postmarked by Monday, July 31, 2000. Hand-delivered applications must be in the Board's Sacramento offices by 4:00 p.m. on Monday, July 31, 2000.

7. Financial Standards

The source of funds for loans is the Integrated Waste Management Account (IWMA). The Board may approve loans from the IWMA for eligible facility compliance costs for prioritized facilities as funds are available. In prioritizing a facility compliance project, the Board will consider:

- a. The degree of risk to public health and safety and the environment posed by conditions at a facility,
- b. The ability of the facility owner/operator to bring the facility into compliance without monetary assistance,
- c. The ability to adequately solve the compliance problem at the facility with available funds, and
- d. Other factors as determined by the Board.

Applicants must fund all facility compliance costs that exceed the loan amount and provide evidence of a financial mechanism to repay the loan. Loans shall not exceed maximum amounts or program limitations established by the Board. Funds cannot be used for other improvements to the facility, nor for uses not identified in the loan agreement.

8. Eligible and Ineligible Costs

- a. Eligible costs for facility compliance assistance include, but are not limited to, the:
 - (1) Design and construction of environmental monitoring and control systems to remedy landfill gas or water quality problems; odor problems; noise problems; dust problems; and other monitoring and control systems as determined by the Board;
 - (2) Purchase of operating equipment to provide daily cover or to assist with litter and/or vector control at the facility;
 - (3) Construction of all-weather internal roads or pads to remedy chronic wet weather operating problems; or
 - (4) Other work deemed eligible by the Board.
- b. Ineligible costs for facility compliance assistance include, but are not limited to:
 - (1) Normal daily facility operations;
 - (2) Cleanup of hazardous wastes; and
 - (3) Other work deemed ineligible by the Board.

9. Application Review and Loan Agreement

- a. Board staff will review applications for adequacy and eligibility. Upon determination that the applicant is eligible, the application is analyzed and the project priority determined using the Scoring Criteria. To the extent that funds are available, projects with the higher scores will be evaluated by the Board Loan Committee. Board staff will recommend to the Board specific projects for funding based upon scoring results and the Loan Committee's recommendations.
- b. The Board approves loans based upon facility priority, financial status of applicant, verification of guaranteed revenue sources for repayment of loan, and availability of funds. When approved, a Loan Agreement is prepared and sent to the applicant for signature and returned to the Board staff. Authorized Board staff sign the Agreement and return a fully

executed copy to the Borrower. If a loan agreement cannot be executed within 60 days of Board approval, the applicant will be disqualified.

10. Management of Facility Compliance

The Borrower shall comply fully with all applicable federal, state, and local laws, ordinances, regulations, and permits in the procurement and management of consultant services and contracts related to correcting existing or possible non-compliance problems.

- a. Board staff and the local enforcement agency (LEA) may conduct field management reviews during the project to verify compliance with the approved plans and specifications and terms of the Loan Agreement.
- b. The LEA shall provide Board staff with a quarterly report describing the status of the project.
- c. The Borrower shall provide Board staff with a quarterly report identifying all project expenditures.
- d. The Borrower shall maintain records in accordance with accepted government accounting standards, and shall include as a minimum:
 - (1) A Facility Compliance Account for all project receipts and disbursements.
 - (2) Accurate and complete accounting of all project financial transactions.
 - (3) Supporting documents showing source of receipts and to whom payments were made.
 - (4) Control and accountability for all project funds, property, and other assets including assurance that all funds were solely for authorized purposes.
 - (5) Procedures to ensure prompt disbursements of accounts payable.
 - (6) Procedures to determine and segregate allowable costs.
 - (7) The Borrower shall allow the Board, the State Controller's Office, and the State Auditor General's Office, or their designated representatives, absolute right of access to all of Borrower's records pertaining to the Agreement, or any part thereof requested, shall be made available to the designated auditors upon request. Records shall be retained for at least three (3) years after expiration of the Agreement, or until completion of actions and resolution of all issues which may arise as a result of any litigation, claim, negotiation or audit, whichever is later.

11. Loan Servicing and Restrictions

- a. Loan funds shall be disbursed at a rate determined by the Board. Disbursement will take place after the Loan Agreement has been fully executed and as specified in the Loan Agreement.
- b. Repayment:
 - (1) Loans shall be repayable over a maximum of fifteen years. Payments shall be made monthly or as otherwise determined by the Board and commence one full year from the date of the Loan Agreement in amounts as determined by the Board. Loan repayments shall be from a guaranteed revenue source approved by the Board.
 - (2) Repayment may be made, either in full or in part, in advance.
 - (3) The Board may require other collateral and/or covenants from Borrower to assure repayment of the loan.
- c. The Borrower shall establish a Facility Compliance Account into which all loan amounts received shall be deposited and disbursed. Expenditures from the Facility Compliance Account shall be made only for eligible project costs as defined in these guidelines or as

otherwise approved by the Board. All funds remaining in the account after final payment of eligible facility compliance costs or 24 months from the date of funding, whichever comes first, shall be repaid to the Board at the time of the next regularly scheduled payment.

- d. Any closure costs related to a FCLP loan will be paid by the Borrower, e.g., title insurance, recording fees.

12. Definitions

- a. **“Facility operator”** means the operating unit, and other person(s) who through a lease, franchise agreement or other arrangement with the owner of the property is granted the approval to operate a solid waste facility, disposal site, transfer or processing station, composting station, or solid waste handling system, or the owner of the property. (14 CCR 18011(a)(10)).
- b. **“Non-compliance”** means a facility that received a Notice of Violation or an Area of Concern for one or more State Minimum Standards. (Title 14, California Code of Regulations (14 CCR), Chapter 3).
- c. **“Permitted solid waste facility”** means any solid waste facility required to obtain a permit pursuant to PRC, Article 1 (commencing with Section 44001) of Chapter 3 of Part 4.
- d. **“Publicly operated facility”** means a facility in which the permitted operator or owner is one of the subdivisions of state government.
- e. **“Rural area”** means any town, village, city, or place that is not part of or associated with an urban area, and that:
 - 1) Is rural in character with a population of less than 10,000; or
 - 2) Is not contained within a Metropolitan Statistical Area (MSA) and has a population of less than 20,000.Population shall be determined according to the latest figures published by the California Department of Finance.
- f. **“Small”** means a facility that is operated by an entity that is not dominant in solid waste management, or is not a subsidiary of such an entity.
- g. **“Tangible environmental threat”** means a threat to the public health, safety or the environment as determined by the Local Solid Waste Enforcement Agency (LEA).

Exhibit A, Sample Resolution

Resolution Number: _____

RESOLUTION OF THE _____
(Title of Governing Body/City Council/ Board of Supervisors)

OF _____ APPROVING THE APPLICATION FOR A LOAN
(City, County)

FROM THE INTEGRATED WASTE MANAGEMENT ACCOUNT for the following Solid Waste Facility Compliance project:

WHEREAS, the Budget Act of 1999 authorizes the California Integrated Waste Management Board (the "Board") to administer a Facility Compliance Loan Program to provide \$2.88 million in interest-free loans over a two-year period to improve environmental compliance at solid waste facilities; and

WHEREAS, said procedures established by the Board require the applicant to certify by resolution the approval of application before submission of said application to the State of California; and

WHEREAS, the applicant will enter into an agreement with the State of California for a facility compliance project;

NOW, THEREFORE, BE IT RESOLVED that the _____ HEREBY:
(Title of Governing Body/City Council/Board of Supervisors)

1. Approves the filing of an application for facility compliance using loan funds from the Integrated Waste Management Account for the project specified above; and
2. Certifies that said applicant has or will have sufficient funds in addition to funds provided by the loan to operate, maintain and complete the project; and
3. Appoints the _____ as agent of the

(Title - Not Name) (Title of Governing Body/City Council/Board of Supervisors)
to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, and so on, which may be necessary for the completion of the aforementioned project.

Approved and Adopted this _____ day of _____, _____.

I the undersigned, hereby certify that the foregoing Resolution Number _____ was duly adopted by the _____ following roll call vote:
(Title of Governing Body/City Council, Board of Supervisors)

Ayes:

Noes:

Absent:

Clerk

Exhibit B, Work Plan

Project Description:

Mobilization/Start up Steps:

Scope of Work:

Phase Number	Description	Estimated Completion Date
Phase #1		
Phase #2		
Phase #3		
Phase #4		
Phase #5		
Phase #6		

Note: The Work Plan should include enough detail to demonstrate to the reviewers that all funds will be used efficiently and that the project will be successful.

Exhibit C, Cost Estimate

Indicate all costs for each project phase in the appropriate columns and total at the bottom. **Prepare a separate cost estimate for each project component.**

The table shown below identifies the costs for the following project component: *(Check only one box)*

- ☐ Design and construction of environmental monitoring and control systems
- ☐ Purchase of operating equipment
- ☐ Construction of all-weather internal roads or pads
- ☐ Other

Project Description: _____

Project Costs	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Totals
Equipment/ Materials							
Labor							
Testing							
Engineering Services							
Other							
TOTAL							

Exhibit D, Sample Vicinity Map and Site Map



Brown Family
Landfill
1111 Ashmore Way
Elk Grove, CA

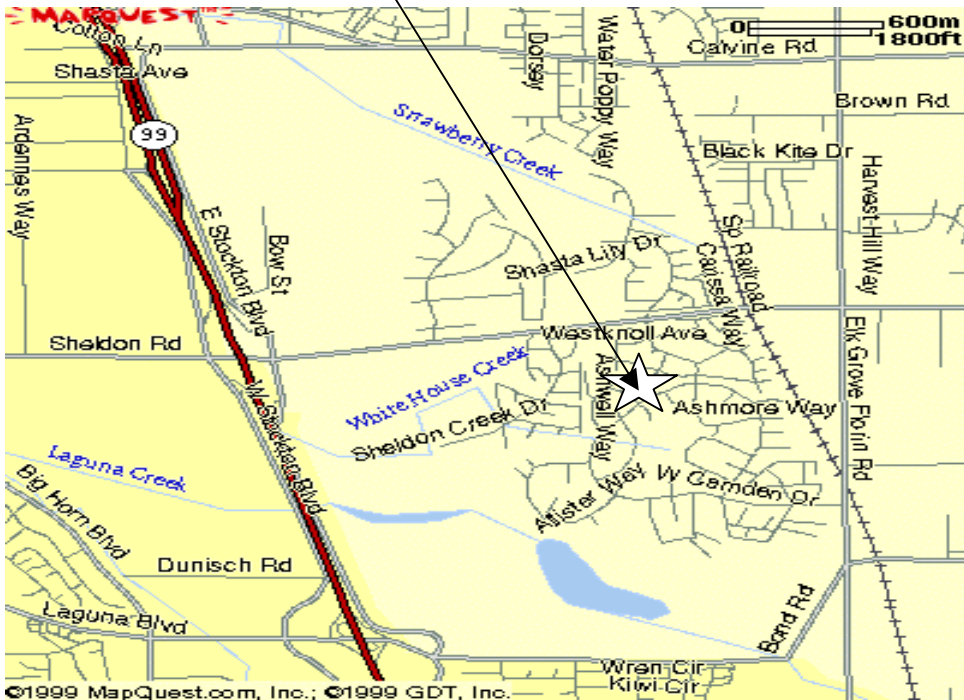


EXHIBIT E, SCORING CRITERIA

FACILITY COMPLIANCE LOAN PROGRAM SCORING CRITERIA	
Applications will be ranked based upon the scoring criteria points listed below. Proposals with the highest scores will be considered for funding first. Projects not associated with permitted solid waste facilities with existing or chronic non-compliance are disqualified. Applications that are substantially incomplete will not be considered for funding.	
POINTS	DESCRIPTION
	Solid Waste Facility
Pass/Fail	Permitted solid waste facility
Pass/Fail	Demonstrates an existing or chronic non-compliance at the facility which poses a tangible environmental threat
25	Facility meets the definitions of “small” and “publicly operated”, and <u>primarily</u> services rural areas
	Primary Project
25	Design and construction of environmental monitoring and control systems
15	Purchase of operating
10	Construction of all-weather internal roads or pads
5	Other
	Financial
5	Demonstrates the need for the requested loan funds
5	Explains other methods of financing attempted and evidence of reasonable efforts made to raise funds for compliance
5	Demonstrates ability to repay the loan and pay for facility compliance costs that exceed the loan amount.
5	Identifies a guaranteed revenue source that will be dedicated to repay the loan
	TOTAL

EXHIBIT F, APPLICATION FOR LOCAL GOVERNMENTS

Please refer to the “Program Guidelines for Local Governments”
when completing this application

PART I. APPLICANT INFORMATION

NAME OF ENTITY OWNING SITE		
NAME OF AGENCY/DEPARTMENT SUBMITTING APPLICATION		
ADDRESS	CITY	ZIP CODE
AREA CODE/TELEPHONE NUMBER	FAX NUMBER	

PART II. SITE INFORMATION

NAME OF PERSON AUTHORIZED TO SIGN APPLICATION	TITLE <i>(Authorized in Resolution)</i>
SITE NAME	SWIS NUMBER
FACILITY TYPE <i>(Solid Waste Landfill, Transfer Station, Material Recovery Facility, etc.)</i>	FACILITY STATUS <i>(Active, closed, etc.)</i>
LOCATION <i>(Attach vicinity map)</i>	
EXISTING OR CHRONIC NON-COMPLIANCE AT FACILITY <i>(Attach copy of Investigation)</i>	

PART II. SITE INFORMATION (CONTINUED)

CURRENT ENFORCEMENT ORDERS & STATUS OF COMPLIANCE *(Attach copy of enforcement orders, Notice of Violation)*

☐ THIS FACILITY PRIMARILY SERVICES RURAL AREAS *(See definition of “rural” in Guidelines for Local Governments)*

PART III. PROJECT INFORMATION

PROJECT DESCRIPTION *(Attach detailed Scope of Work and Site Map showing project limits)*

CEQA COMPLIANCE *(Attach copy of environmental compliance documentation)*

PROJECT COST SUMMARY *(Attach detailed Cost Estimate(s), Exhibit C)*

A.	EQUIPMENT/MATERIALS COSTS	\$ _____
B.	LABOR COSTS	\$ _____
C.	TESTING COSTS	\$ _____
D.	ENGINEERING SERVICES	\$ _____
E.	OTHER	\$ _____
F.	TOTAL ESTIMATED PROJECT <i>(A +B + C + D + E)</i>	\$ _____
G.	REQUESTED LOAN AMOUNT <i>(See Exhibit C)</i>	\$ _____

PART IV. FINANCIAL INFORMATION

STATEMENT OF NEED FOR REQUESTED FUNDS *Attach financial statements, audits, etc. to substantiate need*

SOURCE(S) OF FUNDS FOR REPAYMENT OF LOAN AND COSTS EXCEEDING LOAN AMOUNT *(Attach certified documentation)*

FINANCIAL MECHANISM FOR LOAN SECURITY *(Identify source of revenue; check all that apply)*

- ☐ PLEDGE OF REVENUE
- ☐ ENTERPRISE FUND
- ☐ FINANCIAL MEANS TEST
- ☐ OTHER _____

PART V. APPLICATION AGREEMENT AND SIGNATURE

I certify that all information in this application and that all information provided in support of this application is true and complete to the best of my knowledge and belief. I authorize the California Integrated Waste Management Board to obtain business credit reports and conduct any other inquiries deemed necessary to determine the creditworthiness of the applicant. I certify that I am signing on behalf of the applicant in the capacity indicated next to my name below and that I am authorized to execute this application on behalf of the applicant.

I certify that the jurisdiction is in compliance with all local, State and Federal laws, regulations, requirements and rules, including the California Environmental Quality Act found in Public Resources Code Sections 21000, et.seq.

I understand that information contained in this application will become public information during the administration of this program, and that any loan agreement that I may sign and its attachments will be public information. All other information provided in this application should be considered trade secret, confidential or proprietary information as described in 14CCR 17041 through 17056 and be treated accordingly.

AUTHORIZED OFFICIAL'S SIGNATURE

TITLE (*Authorized in Resolution*)

TYPE NAME

DATE

SUBMIT ORIGINAL APPLICATION AND ATTACHMENTS TO:

FACILITY COMPLIANCE LOAN PROGRAM
FACILITIES OPERATIONS BRANCH, PERMITTING & ENFORCEMENT DIVISION
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD
8800 CAL CENTER DRIVE, M.S. 25
SACRAMENTO, CALIFORNIA 95826
